

COUNTRIES EXPLICITLY BANNING THE USE OF BITCOIN

26 April 2017

It may seem incredible in the world where most nations give the nod to wide-ranging bitcoin main stream, that some governments deem the cryptocurrency illegal and detrimental to their constitutional order and monetary system in general, trying to spurn the 'would be' competitor to their legal tender showing strait-laced attitude towards this product of the financial innovations, dubbed in many parts of the globe as a 'digital asset' not a currency. Yet such cases happen to be.

Jordan



In the clique of countries experiencing express disfavor to bitcoin, Jordan seems to be fairly lenient, as the government has issued no strict prohibition for ordinary consumers to use or somehow dispose of their bitcoin funds. Three years ago the Central Bank of Jordan published a note warning the public against the use of digital currencies, bitcoin definitely included.

The CBJ stressed that bitcoin-like currencies are not legal tender and referred to the risks borne by investors purchasing virtual currencies prewarning them of severe fluctuation and volatility in the value of such financial instruments, topping it all with risks of hacking, online fraud and absence of guarantor as well as assets supporting them. The circular issued by the CBJ unequivocally prohibits banks and all financial institutions in the country to deal with bitcoin and other virtual currencies. Meantime, some small businesses and merchants in Jordan are nevertheless accepting bitcoin.

Bangladesh



Later in September 2014 the central bank of Bangladesh went far beyond just discouraging bitcoin, it published an official statement expressing its explicit negative position on digital currencies and squarely banning the use of bitcoin and other such instruments in the country, marking them as illegal.

The Bangladesh Bank noted that under the existent Anti-Money Laundering regulations the use of bitcoin and other cryptocurrencies is deemed unlawful, emphasizing the potential harsh punitive actions facing those daring to disobey the given instructions. Agence France-Presse allegedly had a talk with a representative of the bank who said that such a 'crime' may lead to imprisonment to as much as 12 years. The question of enactment of the formal ban on the cryptocurrency at the legislative level still remains open.

Ecuador

Several months before Bangladesh, the National Assembly of Ecuador effected the ban of bitcoin and all decentralized virtual currencies providing its considerations for establishment of the new national-scale electronic currency. The Assembly passed the bill with 91 votes to introduce the



country's own digital currency system tied to Ecuadorean dollar and to prohibit any use of bitcoin and other decentralized cryptocurrencies.

Under the new regulations of the national authorities all violators of the bill will face severe penalties including seizure of bitcoins and other similar assets of the users and prosecution of businesses in any way supporting the circulation of bitcoin in Ecuador. Meanwhile, Paul Buitink, operating bitcoin information site deBitcoin.org, noted that there is no clear definition of bitcoin in the country and it may appear that bitcoin is not a subject to the new legal amendments.

Kyrgyzstan



Kyrgyzstan, a country in the Central Asia, kept up with the bitcoin banning trend in that remarkable year of 2014, and in August the National Bank of the Kyrgyz Republic released its official statement underlining the illegal status of bitcoin and other cryptocurrencies in the territory of the state. In its statement the bank mentioned that bitcoin and similar financial instruments like litecoin and dogecoin are deemed as non-legal tender pointing out to the Kyrgyz som as the only local currency.

As was the case with the central bank of Jordan, Kyrgyz bank warned against possible risks incurred by those who invest in digital currencies, highlighting their volatility, inability to cancel or chargeback the transaction and possible thefts. The bank further confirmed that the use of bitcoin and other similar currencies are considered illegal under the current laws of the Republic and stood to recommend citizens not to deal in any way with currencies or assets other than legal tender intimidating of the possible legal consequences to be assumed by individuals or businesses violating the legislation of the Kyrgyz Republic.

Despite strict legal guidelines in those countries many bitcoin advocates are holding out on optimistic view that financial innovation will nevertheless burn through the formal barriers, and human rights including the right to purchase digital assets like bitcoin will be effectively brought up to the legislative agenda attenuating the conservative stance of authorities on all digital currencies.

Share with friends:

0 Comments **Worldcore****1 Login** ▼ **Recommend**  **Share****Sort by Best** ▼





Start the discussion...

LOG IN WITH

OR SIGN UP WITH DISQUS 

Name

Be the first to comment.

 **Subscribe**  **Add Disqus to your site**  **Add Disqus**  **Privacy**

ANALYTICS

HOW TO MAKE MONEY ON FACEBOOK

BANKING TECHS

BNP PARIBAS EXTENDS ITS INFLUENCE ON FINTECH SECTOR ESTABLISHING A NEW INVESTMENT FUND

MOBILE PAYMENTS

EUROPEANS WANT MORE WEARABLES FOR CONTACTLESS PAYMENTS AS NFC TRANSACTIONS GREW 145%

SHOW MORE POSTS...

SUBSCRIBE US

Enter e-mail address

SUBSCRIBE

Exciting articles several times a month

CATEGORIES (22)

Analytics (162)

Articles (136)

Banking techs (163)

Biometric techs (37)

Blockchain techs (101)

Celebrations (2)

Crowdfunding (35)

Cryptocurrency (80)

Debit cards (50)

Financial fraud and hacking (62)

Financial startups (109)

Mobile commerce (118)

Mobile payments (166)

News (366)

P2P lending (34)

Payment aggregators (26)

Payment gateways (99)

Payments (185)

Personal finance management (29)

Prepaid cards (41)

Regulatory news (63)

Smart gadgets (18)

JOIN US!

Be the first of your friends to like this



WORLD CORE[®]
ULTIMATE MASTERCARD[®]

Multicurrency card with withdrawal
limit of 4 000 Euros per day



GET CARD